

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**Lofman Group, LLC
System ID# 0039028**

Enforcement Case No. 08-5718

And

**Kone Bowman
System ID# 0068702**

Respondents

_____ /

Issued and entered
on 4-28, 2009
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

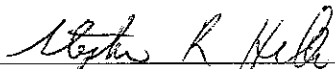
1. At all pertinent times involved herein, the Lofman Group, LLC ("Lofman Group") and Kone Bowman ("Bowman") were licensed resident producers authorized to conduct the business of insurance on behalf of insureds in the State of Michigan. Bowman is the managing member of Lofman Group.
2. As licensed insurance producers, Respondents knew or had reason to know that Section 1239(1)(h) of the Insurance Code ("Code"); MCL 500.1239(1)(h), provides, "The commissioner may place on probation, suspend, or revoke ... an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions for [u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
3. On or about February 12, 2008, [REDACTED] sent a letter to Respondents alleging that the Respondents owed [REDACTED] \$1,219.40 in unearned

- commissions. The letter demanded that Respondents return the unearned commissions within 15 days from the date of receipt of the letter or [REDACTED] would terminate Respondents Producer Agreements with certain members of [REDACTED]. Respondents owed [REDACTED] unearned commissions because certain policies were cancelled, which required Respondents pay back to [REDACTED] commissions earned on said policies.
4. [REDACTED] February 12, 2008, letter also informed the Respondents that their ability to write new business on [REDACTED]'s behalf had been suspended effective immediately, at least until the outstanding balance had been paid or agreement terminated.
 5. Respondents failed to return unearned commissions to [REDACTED] consequently; [REDACTED] terminated Respondents' appointment for cause on May 10, 2008.
 6. On or about January 9, 2009, Respondents received a letter from a debt collection agency. The letter from the debt collection agency advised Respondents that they were servicing Lofman Group's insurance agent accounts and requested payment of \$1,128.20 to resolve the debt. The \$1,128.20 was the amount now owed to [REDACTED] by Respondents.
 7. Respondents settled the abovementioned debt by paying the collection agency \$546.00.
 8. By engaging in the foregoing conduct, Respondents violated Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).

B. ORDER

Based on the findings of fact and conclusions of law above and Respondents' stipulation, it is **ORDERED** that:

1. Respondents shall cease and desist from operating in such a manner as to violate Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
2. Upon the cancellation of an insurance policy or when an application for insurance is rejected or declined, Respondents shall return to insurers all unearned commissions.
3. Respondents shall pay to the State of Michigan a civil fine of \$500. Upon execution of this Order, OFIR will send Respondent an Invoice for payment of the civil fine, which shall be due within 30 days of issuance of the Invoice.



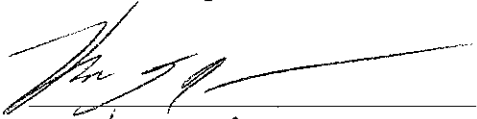
Stephen R. Hilker
Chief Deputy Commissioner

Dated: 4/23/09

C. STIPULATION

Respondents have read and understand the consent order above. Respondents agree that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Code. Respondents waive the right to a hearing in this matter if this consent order is issued. Respondents understand that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondents waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law as stated in herein and agree to the entry of this order.

Lofman Group, LLC

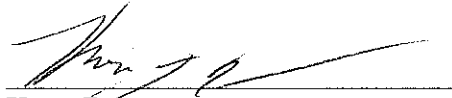


By: Kone Bowman

Its: owner

4/27/09

Date



Kone Bowman

4/27/09

Date

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above consent order.



Marlon F. Roberts

Staff Attorney

4/27/09

Date